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C O N F I D E N T I A L SECTION 1 OF 5 RABAT 0082

E.O. 11652: GDS

TAGS: PFOR PBOR PINT PINS MO SP SS AL MR

SUBJ: END OF THE YEAR ASSESSMENT OF MOROCCO AND U.S.-
MOROCCAN RELATIONS FROM AMBASSADOR

1. SUMMARY: THE YEAR 1974 HAS SEEN A CONSIDERABLE
IMPROVEMENT IN THE RELATIONS BETWEEN MOROCCO AND THE
UNITED STATES IN ALL DOMAINS. KING HASSAN'S PERFOR-
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MANCE IN CONNECTION WITH THE RABAT SUMMIT CONFERENCE

INCREASED HIS STATURE THROUGHOUT THE ARAB WORLD. IN HIS DIFFICULT RELATIONSHIP WITH SPAIN THE KING HAS SUCCEEDED IN GAINING SIGNIFICANT EXTERNAL AND INTERNAL SUPPORT; THE APPEAL TO THE ICJ WILL PROVIDE ADDITIONAL TIME FOR BOTH DOMESTIC AND INTERNATIONAL MANEUVERING.

INTERNALLY, THE REGIME HAS STRENGTHENED ITS POSITION. THE KING HAS SUCCESSFULLY MANIPULATED AND CONTROLLED POTENTIAL POLITICAL ADVERSARIES. THE ECONOMY, DESPITE SERIOUS CURRENT PROBLEMS RELATED TO THE GLOBAL ECONOMIC CRISIS AND UNFAVORABLE WEATHER, HAS SHOWN CONTINUED DYNAMISM AND GROWTH. "MOROCCANIZATION" OF THE MOST IMPORTANT FOREIGN FIRMS HAS BEEN ACHIEVED IN A WAY PRESERVING A REASONABLY ATTRACTIVE CLIMATE FOR FOREIGN INVESTMENT.

WHILE I WOULD BE FOOLHARDY TO DISMISS OUT OF HAND THE CONTINUING DANGERS AND PROBLEMS FACING THE REGIME, I AM PERSUADED THAT IT IS HIGH TIME TO DO AWAY WITH THE OUTDATED IMAGE OF AN UNSTABLE AND UNSERIOUS MOROCCO, AN IMAGE WHICH STILL HAUNTS MANY OF THE WORLD'S GOVERNMENT OFFICES, INCLUDING SOME LOCATED IN WASHINGTON. END SUMMARY.

2. INTERNAL POLITICAL SITUATION: THE KING HAS MANAGED, DURING 1974, TO GENERATE A STRONG PUBLIC SENSE OF NATIONAL UNITY (USING THE SAHARA ISSUE) WHILE CONTINUING HIS MULTIFACETED POLITICAL BALANCING ACT. HE HAS SUCCEEDED IN THIS DESPITE THE FACT THAT NONE OF THE BASIC SOCIAL TENSIONS IN THE COUNTRY HAVE REALLY EASED. THE ECONOMIC SITUATION (SEE BELOW) HAS NOT SIGNIFICANTLY ADVANCED SOCIAL JUSTICE, OR IMPROVED THE UNEMPLOYMENT SITUATION, OR EASED INFLATION, OR BENEFITTED THE LAGGING AGRICULTURAL SECTOR. ON THE CONTRARY, THE MOROCCANIZATION PROCESS HAS TENDED TO CREATE A NEW "MODERN" FEUDAL CLASS IN THAT THOSE ALREADY WELL ENDOWED, INDIVIDUALS AS WELL AS INSTITUTIONS, BANKS, ETC., WERE IN THE BEST POSITION, LEGALLY OR ILLEGALLY, TO BUY INTO FOREIGN HOLDINGS UNDERGOING MOROCCANIZATION. BUT THIS HAS GIVEN THE KING YET ANOTHER TOOL IN HIS BALANCING ACT BY WHICH HE CAN PLACATE PEOPLE ALL AROUND THE POLITICAL SPECTRUM. IT IS GOOD ORIENTAL STRATEGY TO SHOW THAT

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SUPPORTING THE KING OR AT LEAST NOT CAUSING HIM SUBSTANTIAL DIFFICULTIES CAN BE A PAYING PROPOSITION. MORE SPECIFICALLY:

A. WITH THE EXCEPTION OF THE SMALL CASABLANCA UNFP GROUP OF ABDULLAH IBRAHIM AND BEN SEDDIK, ALL POLITICAL PARTIES AND GROUPS HAVE RALLIED AROUND THE KING, HAVING BEEN BROUGHT TOGETHER OVER THE SAHARA ISSUE, DESPITE THEIR CONTINUED OPPOSITION TO A VARIETY

OF DOMESTIC POLICIES.

B. THE KING FAVORS AND ENCOURAGES YOUNG AND ABLE TECHNICIANS IN THE ADMINISTRATION, LETTING THEM EXERCISE A DEGREE OF DECISION-MAKING AUTHORITY WHICH SOMETIMES RIVALS THAT OF THE MINISTER, AND ONLY REINS THEM IN AT THE LAST MOMENT (AS HE DID IN THE OIL MOROCCANIZATION QUESTION) IF AND WHEN THIS BECOMES ABSOLUTELY NECESSARY. THE KING HAS OFTEN STATED THAT HE WANTS TO TRANSFER TECHNICAL DECISIONS AS QUICKLY AS POSSIBLE FROM THE OLDER GENERATION TO THOSE WHO HAVE BEEN EDUCATED AFTER THE END OF THE FRENCH PROTECTORATE. THESE YOUNG MEN (AND A FEW WOMEN) ARE EAGER FOR GREATER PARTICIPATION IN GOVERNMENT. THEY ARE PRIMARILY TECHNOCRATS (EVEN THOUGH SOME OF THEM HAVE POLITICAL AFFILIATIONS). BUT THEY ARE IN NO HURRY TO SEE THE RETURN OF THE OLD, TRADITIONAL POLITICIANS WHOSE ABILITY AND COMPETENCE TO DEVELOP THE COUNTRY RAPIDLY THEY SERIOUSLY DOUBT. THEREFORE, ALTHOUGH BOTH THE POLITICIANS AND THE YOUNG TECHNOCRATS DESIRE A BROADENING OF MOROCCO'S POLITICAL BASE, THEIR INTERESTS ARE FAR FROM CONGRUENT.

C. ONE MIGHT WELL ASK WHY THE COMMUNISTS (NOW RENAMED PARTY OF PROGRESS AND SOCIALISM) ARE COOPERATING IN THIS PROCESS. THE ANSWER IS THAT THEY HAVE MUCH TO GAIN AND VERY LITTLE TO LOSE. BY JUMPING QUICKLY ON THE SAHARA BANDWAGON, ALI YATA AND HIS COHORTS FREED THEMSELVES FROM ANY ACCUSATION OF "ANTI-NATIONALISM"--ALWAYS A DANGER BECAUSE OF THE CP'S INTERNATIONAL TIES--AS WELL AS OF ANY SUSPICION OF SERVING AS A "RUNNING DOG" OF ALGERIA.

IF THE KING GOES AHEAD WITH HIS ELECTION AND PARLIAMENTARY PLANS, THE CP WILL HAVE A BETTER CHANCE TO ORGANIZE. IF THE KING GOES BACK ON HIS WORD, IT CAN BENEFIT FROM THE RESULTING DISAPPOINTMENT. IN
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EITHER CASE THE CP CAN HOPE TO CAPITALIZE EVENTUALLY ON SOCIAL TENSIONS AS THE "CONTRADICTIONS" OF THE REGIME BECOME MORE PROMINENT.

THE KING, ON THE OTHER HAND, COMPLETES (VIRTUALLY) THE IMAGE OF NATIONAL UNITY, PROTECTS HIS LEFT FLANK, AND MAY EVEN BE SIGNALLING TO THE U.S., EVER SO SLIGHTLY, THAT HE HAS OTHER OPTIONS AND HENCE IS NOT TO BE TAKEN LIGHTLY.

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THE ONLY DISADVANTAGE, FROM THE CP'S POINT OF VIEW,
IS THAT THIS SUBTLE TACTIC IS NOT TO THE TASTE OF THOSE
LEFT RADICAL YOUTH GROUPS WHICH ARE GEARED TO A PHILOSOPHY
OF IMMEDIATE AND DIRECT ACTION AND ARE THEREFORE ATTRACTED
TO SOME FORM OF MAOISM. BUT OLD LINE COMMUNISTS, LIKE
ALI YATA, HAVE ALWAYS, SINCE LENIN'S DAYS, HAD A DISDAIN
OF "LEFT-WING INFANTILISM" AND HAVE ALWAYS PLACED
TACTICAL DISCIPLINE OVER MASS APPEAL.

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D. THE POLITICAL TEMPER OF THE ARMED FORCES IS MORE DIFFICULT TO ANALYZE. SOME PROMOTIONS AND THE ARRIVAL OF AN INITIAL SHIPMENT OF AMERICAN EQUIPMENT MAY HAVE SOMEWHAT EASED THE STRAIN, WHILE THE RALLYING CRY REGARDING THE SAHARA HAS PROBABLY ALSO DIMINISHED MILITARY OPPOSITION. BUT THIS IS DIFFICULT TO KNOW AND ASSESS EXACTLY. CERTAINLY FURTHER TANGIBLE IMPLEMENTATION OF THE U.S. MODERNIZATION PROGRAM SHOULD HELP RE-FOCUS THE ATTENTION AND ENERGY OF MOROCCO'S MILITARY OFFICERS ON EQUIPPING, TRAINING AND OPERATING THEIR UNITS.

A MORE GENERAL STABILIZING FACTOR HERE IS CHRONIC MISTRUST OF MILITARY RULE, SHARED BY VIRTUALLY ALL OF THE POLITICAL GROUPS AND YOUNG TECHNOCRATS, WHICH OPERATES IN ANY EVENT TO SEPARATE THE MILITARY FROM POSSIBLE POLITICAL ALLIANCES.

E. WHILE THERE HAVE BEEN SOME RECENT INDICATIONS OF STUDENT UNREST, THIS HAS APPARENTLY STEMMED MAINLY FROM BREAD-AND-BUTTER ISSUES, SUCH AS LATE PAYMENT OF SCHOLARSHIPS. A NUMBER OF MAOIST STUDENTS AND TEACHERS WERE TAKEN INTO CUSTODY IN NOVEMBER 1974, BUT THE STUDENT SCENE IN GENERAL APPEARS TRANQUIL WITH THE GREAT MAJORITY OF STUDENTS FOCUSING ON THEIR COURSES.

F. THUS THE VARIOUS CAUSES FOR DISSATISFACTION--THOUGH THEY CONTINUE TO EXIST--HAVE NO EFFECTIVE POLITICAL OUTLET AND DO NOT APPEAR, AT LEAST FOR THE TIME BEING, SERIOUSLY TO ENDANGER THE REGIME.

G. IF THE KING GOES AHEAD, AS ALL POLITICAL GROUPS OPTIMISTICALLY HOPE HE WILL, WITH HIS PLANS FOR ELECTION AND A PARLIAMENT, THEN A FURTHER OUTLET, PROBABLY HARMLESS, FOR THE VOICING OF DISCONTENT AND CRITICISM WILL BE PROVIDED WHILE THE EVER VIGILANT POLICE WILL SEE TO IT THAT THE SITUATION DOES NOT GET OUT OF HAND. ALL EXISTING OR POTENTIAL OPPOSITION ELEMENTS HAVE HAD SOME RECENT--AND ROUGH--LESSONS IN THE ART OF LIVING DANGEROUSLY AND HAVE NO DOUBT STORED IN THEIR RESPECTIVE MEMORY BANKS WHAT DEGREE OF OPPOSITION IS SAFE OR UNSAFE. IF ONE ADDS TO THAT THE "POISONS AND DELICACIES" WHICH THE REGIME DANGLES BEFORE THE INTERESTED (AND FEW ARE NOT), PLUS THE REALLY REMARKABLE LACK OF POLITICAL EDUCATION AND ORGANIZATIONAL SKILL

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WITHIN THE OPPOSITION, ONE COMES TO THE CONCLUSION--TEMPERED BY RECOGNITION THAT NO POLITICAL PREDICTIONS ARE EVER COMPLETELY SAFE--THAT THE KING OUGHT TO BE IN A FAIRLY GOOD POSITION TO KEEP HANDLING THE INTERNAL SITUATION PRETTY MUCH TO HIS SATISFACTION.

3. THE ECONOMY: MOROCCO FACES THE NEW YEAR WITH MANY

OF THE PROBLEMS OF THE REST OF THE WORLD: HIGH INFLATION, GROWING UNEMPLOYMENT, TIGHT MONEY, THE PROSPECT OF ANOTHER BAD CROP YEAR, AND POTENTIAL SOCIAL UNREST. BUT IT HAS SEVERAL POSITIVE ELEMENTS IN ITS FAVOR WHICH ARE MISSING IN MANY OTHER COUNTRIES: A LARGE WORK FORCE ABROAD WHICH CONTINUES TO REMIT SUBSTANTIAL PAYMENTS TO FAMILIES LEFT BEHIND; A PRODUCT (PHOSPHATE) WHOSE PRICE HAS INCREASED PARI PASSU WITH WORLD INFLATION AND THE DEMAND OUTLOOK FOR WHICH APPEARS FIRM--AT LEAST OVER THE NEXT CRITICAL MONTHS; "MOROCCANIZATION" OF THE MOST IMPORTANT FOREIGN FIRMS HAS BEEN ACHIEVED WITH MINIMAL CONFLICT, PRESERVING A REASONABLY ATTRACTIVE CLIMATE FOR FOREIGN INVESTMENT; THE NATION'S BORROWING RECORD IS GOOD, AND CERTAIN GULF STATES APPEAR PREPARED TO MAKE SOME DEVELOPMENT MONEY AVAILABLE; AND THE NATION HAS A FAIRLY IMPRESSIVE TECHNOCRATIC STRUCTURE TO IMPLEMENT DEVELOPMENT OBJECTIVES. MORE SPECIFICALLY:

PHOSPHATE PRICES WERE RAISED FROM \$14 TO \$42 PER TON AT THE END OF 1973; THEN AGAIN IN JULY TO \$63 A TON FOR BEST GRADE ROCK. THIS QUADRUPLING OF VALUE INCREASED THE RELATIVE IMPORTANCE OF PHOSPHATE PRODUCTION FROM ABOUT 4 PERCENT TO OVER 20 PERCENT AS A PROPORTION OF GNP AND AS A SOURCE OF FOREIGN EXCHANGE EARNINGS FROM JUST OVER 21 PERCENT TO NEARLY 63 PERCENT--ABOUT \$1.1 BILLION. THIS, TOGETHER WITH INCREASED REMITTANCES FROM MOROCCAN WORKERS ABROAD, PROVED THE KEY TO THE NATION'S ECONOMIC PERFORMANCE DURING THE PAST YEAR.

LOCATED ON THE NORTHERN BORDER OF THE SAHEL REGION, MOROCCO WAS SPARED THE WORST EFFECTS OF THE DROUGHT. BUT AGRICULTURAL PRODUCTION WAS NEVERTHELESS SERIOUSLY AFFECTED BY DELAYED RAINS AND GRAIN SMUT. CITRUS EXPORTS ALSO FELL AS GOM GRAPPLED WITH THE EFFORT TO TAKE OVER AND EFFECTIVELY OPERATE GROVES FORMERLY OWNED BY FRENCH

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COLONY. OVER 800,000 TONS OF GRAIN IMPORTS BECAME NECESSARY FOR A COUNTRY WHICH USED TO BE ALL BUT SELF-SUFFICIENT. INFLATION-PRICED SUGAR AND VEGETABLE OIL IMPORTS TOTALLED MORE THAN \$160 MILLION. THUS WHILE PHOSPHATE EARNINGS AND REMITTANCES FORTUITOUSLY SPARED MOROCCO FROM BEING COUNTED AMONG THE "MOST SERIOUSLY AFFECTED" LDC'S, CROP FAILURES AND INFLATED WORLD FOOD PRICES WIPED OUT NEARLY 3/4 OF THE GAIN.

THE CURRENT FIVE YEAR PLAN IMPLEMENTED THIS YEAR, AND TO BE FINANCED IN LARGE MEASURE FROM ANTICIPATED PHOSPHATE REVENUES, THUS FACES A PROBLEMATIC FUTURE AS MOROCCO ENTERS 1975. WITH 300,000 TO 500,000 MOROCCAN WORKERS ABROAD, THE EUROPEAN EMPLOYMENT OUTLOOK COULD BE CRITICAL TO MOROCCO'S ECONOMIC PERFORMANCE IN 1975.

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IN ADDITION, 1974 HAS BEEN THE YEAR OF "MOROCCANIZATION" IN THE FOREIGN INVESTMENT SECTOR. THE REQUIREMENT THAT A BROAD LISTING OF MANUFACTURING COMPANIES AND BANKING FIRMS TAKE MOROCCAN PARTNERS AS 50 PERCENT SHAREHOLDERS-- WITH A MOROCCAN NATIONAL AS EITHER PRESIDENT OR CHAIRMAN-- COULD HAVE HAD A MOST DISRUPTIVE EFFECT ON THE BUSINESS CLIMATE. HOWEVER, MOST OF THE LARGER FIRMS, U.S. AND OTHER, HAVE FOUND SATISFACTORY LOCAL PARTNERS. THE MOST

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DIFFICULT AND PROTRACTED MOROCCANIZATION NEGOTIATIONS WERE THOSE OF THE OIL DISTRIBUTORS. NEVERTHELESS, BY YEAR-END ALL BUT ESSO HAD, WITH SOME IMPORTANT NEGOTIATING ASSISTANCE FROM THE EMBASSY, REACHED AGREEMENTS WITH GOM.

4. FOREIGN AFFAIRS: MOROCCO'S FOREIGN RELATIONS WERE REMARKABLY SUCCESSFUL IN 1974 DESPITE THE FACT THAT SOME CRITICS FELT THE KING'S SAHARAN POLICY WAS DANGEROUS AND UNLIKELY TO SUCCEED. IN SUM, THE KING (WHO REGARDS FOREIGN POLICY AS VERY MUCH HIS OWN PRESERVE): (A) MANAGED TO SETTLE, AT LEAST IN PRINCIPLE, A LONG-STANDING DISPUTE OVER THE COMPENSATION OF FRENCH FORMER PROPERTY OWNERS; (B) SUBSTANTIALLY INCREASED HIS AND MOROCCO'S PRESTIGE WITH OTHER ARAB LEADERS; (C) HELD ALGERIA AT BAY WHILE IMPROVING SOMEWHAT HIS RELATIONS WITH MAURITANIA; (D) MANAGED TO CREATE BUT CONTROL A MAJOR CONFLICT WITH SPAIN; AND (E) MOVED CLOSER TO THE UNITED STATES. ON THE WHOLE A RATHER REMARKABLE RECORD FOR ONE YEAR. TO BE MORE SPECIFIC:

A. FRANCE: HE SETTLED AT LEAST IN PRINCIPLE HIS LONG-STANDING DISPUTE WITH FRANCE OVER THE COMPENSATION OF FORMER FRENCH PROPERTY HOLDERS. THIS HAS TAKEN A CONSIDERABLE BURDEN OFF THE RELATIONSHIP BETWEEN THE TWO COUNTRIES AND OPENED THE DOOR TO A FUTURE EVOLUTION OF FRENCH-MOROCCAN RELATIONS RELATIVELY FREE OF COMPLEXES. THIS RELATIONSHIP WILL REMAIN IMPORTANT TO MOROCCO FOR A LONG TIME TO COME, AS WILL FRANCE'S QUITE GENEROUS TECHNICAL AND CULTURAL ASSISTANCE. AT THE SAME TIME IT IS CLEAR THAT THE KING DOES NOT WISH TO MOVE TOO MUCH INTO THE FRENCH ORBIT--NOT ONLY BECAUSE THERE IS A LINGERING MEMORY OF SOME OF THE LESS PLEASANT CHAPTERS OF FRANCO-MOROCCAN RELATIONS, BUT EVEN MORE SO BECAUSE THE KING'S FOREIGN POLICY REQUIRES CLOSE RELATIONS TO A MAJOR WORLD POWER AND HE HAS IDENTIFIED THAT TO BE THE UNITED STATES AND NOT FRANCE.

B. ARAB WORLD: MOROCCO'S RISE WITHIN THE LEADERSHIP OF THE ARAB WORLD DURING 1974 HAS BEEN STRONG AND UNMISTAKABLE. HAVING SET THE STAGE BY HIS SENDING OF TROOPS TO THE MIDDLE EAST IN APRIL 1973, AND AIDED BY THE ASCENDANCY OF MORE MODERATE ELEMENTS WITHIN THE

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LEADERSHIP OF THE ARAB CAMP, THE KING USED TO MAXIMUM

ADVANTAGE HIS LONG-STANDING GOOD AND SUPPORTIVE RELATIONSHIP WITH THE PLO AND HIS OSTENSIBLE POSITION AS A "ROYAL BROTHER" TO PLAY A PIVOTAL ROLE IN ENDING THE PLO-HUSSEIN DISPUTE AT THE RABAT SUMMIT MEETING. IN THAT AND IN HIS PUBLIC APPEARANCES, ESPECIALLY HIS PRESS CONFERENCE AT THE CONCLUSION OF THE SUMMIT, HE GAVE EVIDENCE OF DEFTNESS AND EVEN BRILLIANCE. ACCORDING TO ALL THE INFORMATION I HAVE RECEIVED, INCLUDING PRIVATE AND CANDID REMARKS TO ME BY THE SAUDI ARABIAN MINISTER OF PLANNING WHO RECENTLY VISITED RABAT, KING HASSAN'S PERFORMANCE AT THE SUMMIT MADE A DEEP AND LASTING IMPRESSION THROUGHOUT THE ARAB WORLD.

C. ALGERIA AND MAURITANIA: MOROCCO'S DIFFICULT AND OFTEN ADVERSARY RELATIONSHIP WITH ALGERIA DID NOT DETERIORATE AND IN SOME RESPECTS HAS GIVEN INDICATIONS OF A SLIGHT THOUGH POSSIBLY TEMPORARY IMPROVEMENT. MOROCCO HAD PRESENTED ITS CONFLICT WITH SPAIN OVER THE SAHARA (SEE BELOW) IN SUCH A WAY THAT OUTRIGHT ALGERIAN OPPOSITION WAS MADE DIFFICULT, AND ALGERIA'S APPARENT UNCERTAINTY CONTRASTED SHARPLY WITH THE DETERMINED MOROCCAN DRIVE. IT MAY ALSO BE THAT THE ALGERIAN LEADERSHIP CAME TO THE CONCLUSION THAT THE PRESENT SITUATION IN THE SAHARA COULD NOT LAST AND THAT IT WOULD BE USEFUL FOR ALGERIA TO KEEP ITS OPTIONS OPEN. IT IS MORE DIFFICULT FOR ME TO ASSESS THE KING'S INTERPRETATION THAT ALGERIAN STABILITY WAS ENDANGERED FOR INTERNAL REASONS AND THAT PRESIDENT BOUMEDIENE WOULD FIND IT TO HIS ADVANTAGE TO SEEK AN UNDERSTANDING AND HENCE, AT LEAST BY IMPLICATION, MOROCCO'S SUPPORT. THIS INTERPRETATION STRIKES ME AS TOO SELF-SERVING BUT WHATEVER THE EXPLANATION FOR ALGERIA'S POLICIES, ALGERIAN OPPOSITION TO MOROCCO'S CLAIM FOR THE SAHARA HAS REMAINED MUTED AND ELUSIVE.

THIS SEEMS TO HAVE MADE THE MAURITANIANS UNEASY, AND, AS SEEN FROM RABAT, KING HASSAN APPARENTLY HAS MADE SOME PROGRESS IN IMPROVING HIS RELATIONSHIPS WITH PRESIDENT OULD DADA OF MAURITANIA. CERTAINLY MAURITANIA'S ROLE, ESPECIALLY AT THE UN, HAS RECENTLY BEEN USEFUL TO MOROCCO, HAS BEEN WARMLY APPRECIATED IN RABAT, HAS MUTED THE RELUCTANCE OF SOME OPPOSITION ELEMENTS IN

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MOROCCO, ESPECIALLY THE ISTIQLAL, TO ACCEPT MAURITANIAN INDEPENDENCE, AND HAS FOSTERED SOME ACCEPTANCE OF THE IDEA THAT AN EVENTUAL PARTITION OF THE SAHARA BETWEEN MOROCCO AND MAURITANIA MAY BE A SERIOUS POSSIBILITY IF NOT MORE.

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D. SPAIN AND THE SAHARA: IF ANY INTERNATIONAL
QUARREL WAS EVER CALMLY AND DELIBERATELY PROVOKED, IT WAS
THE ISSUE OF THE SAHARA. TRUE, THE DISPUTE HAD EXISTED
FOR SOME TIME BUT ITS SUDDEN ESCALATION DURING 1974 WAS
THE KING'S DELIBERATE CHOICE. ALTHOUGH HE MAY HAVE
CONTEMPLATED SUCH A MOVE EARLIER, THE DECISIVE EVENT WAS
THE CHANGE OF REGIME IN PORTUGAL AND THE EARLY INDICATIONS
THAT PORTUGAL'S AFRICAN EMPIRE WOULD SOON BE DISSOLVED.
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HE DID NOT THINK IT WAS LOGICAL THAT SPAIN WOULD WISH TO REMAIN IN AFRICA AS THE LAST COLONIAL POWER AND HE THEREFORE CONSIDERED IT INDISPENSABLE TO MAKE HIS CLAIM EARLY AND BE THE FIRST IN LINE. HE ALSO FELT IT WAS IMPORTANT TO SHOW CONSIDERABLE MILITANCY IN ORDER TO RAISE THE "ANTI-COLONIAL" BANNER AND THUS MAKE IT DIFFICULT FOR OTHER COUNTRIES, ESPECIALLY ARAB NEIGHBORS, TO OPPOSE HIS CLAIM. THIS LATTER FACTOR RELATES PARTICULARLY TO ALGERIA WHOSE (ALLEGED) DESIRE FOR AN OPENING TO THE ATLANTIC HE REGARDS AS AN EFFORT AT ENCIRCLEMENT.

THE KING IS AWARE OF THE GEOGRAPHIC AND HISTORICAL CIRCUMSTANCES OF MOROCCO WHICH NOT ONLY GIVE IT SIGNIFICANT ROLES IN ARAB AND AFRICAN COUNCILS, BUT ALSO ENDOW IT WITH A UNIQUE AND INTIMATE RELATIONSHIP WITH SPAIN. HE SEES VAST POSSIBILITIES FOR COOPERATION IN MANY FIELDS, BETWEEN SPAIN AND MOROCCO. HE MAKES A CONVINCING CASE FOR THE PROPOSITION THAT MOROCCO IS NOT ONLY PREPARED TO GIVE SPAIN THE BEST POSSIBLE DEAL TO PROTECT SPAIN'S CONTINUED ECONOMIC AND MILITARY INTERESTS IN THE SHARA, BUT FEELS THAT MOROCCO ALONE IS WILLING AND ABLE TO OFFER SPAIN SUCH CONCESSIONS. CONVINCED AS HE IS THAT SPAIN SIMPLY CANNOT REMAIN IN AFRICA, HE FINDS SPANISH POLICY TO BE ILLOGICAL. POSSIBLY HE BELIEVES IT TO BE THE RESULT OF THE UNCERTAINTY OF FRANCO'S HEALTH AND THE OBSCURE GOVERNMENTAL SITUATION IN MADRID RATHER THAN THE RESULT OF ANY DELIBERATE POLICY. IN OTHER WORDS, HE MAY REGARD SPANISH ACTION ON THE SAHARA AS A NON-POLICY RATHER THAN A POLICY. HE MAY FEEL CONFIRMED IN THIS BY THE CAREFUL NATURE OF FRANCO'S OWN PUBLIC STATEMENTS, INCLUDING PERHAPS THE OMISSION OF ANY REFERENCE TO THE SAHARA IN THE GENERALISSIMO'S NEW YEAR'S STATEMENT, AND IS NOT IMPRESSED BY THE THEATRICALS OF SOME SPANISH DIPLOMATS, ESPECIALLY AT THE UN.

IN THIS CONNECTION THE U.S. VOTE FOR THE APPEAL TO THE ICJ HAS BEEN REGARDED BY THE KING AS OF THE HIGHEST SIGNIFICANCE, NOT SO MUCH BECAUSE HE NEEDED AN ADDITIONAL VOTE, BUT RATHER BECAUSE HE HOPES THAT AMERICA'S ATTITUDE NOW AND IN THE FUTURE MAY HAVE AN EDUCATIONAL EFFECT ON SPAIN. IN OTHER WORDS WHAT HE WANTS FROM US AND FROM OTHERS IS TO GENTLY NUDGE SPAIN TO MAKE UP ITS

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MIND FOR, IN THAT EVENT, HE BELIEVES THAT SPAIN'S DECISION WILL LOGICALLY LEAD TO AN AGREEMENT BETWEEN THE TWO COUNTRIES. IN THE LIGHT THE REQUEST FOR AN ADVISORY

OPINION OF THE ICJ SERVES TO GAIN CONSIDERABLE TIME WITHOUT INJURING OR BELITTling ANYBODY'S SENSE OF HONOR. THIS OF COURSE WOULD NOT WORK IF SPAIN, CONTRARY TO THE UN RESOLUTION, WERE TO PROCEED WITH HER PLANS TO HOLD THE REFERENDUM IN THE SAHARA DURING THE NEXT FEW MONTHS. SUCH A DECISION WOULD INEVITABLY CAUSE VIOLENCE IN THE SAHARA AND WOULD BE "SPONTANEOUSLY ORGANIZED."

E. U.S.-MOROCCAN RELATIONS: DURING 1974 THE KING STEADFASTLY PURSUED HIS POLICY OF EVER-CLOSER RELATIONS WITH THE UNITED STATES. HE HAS DONE THIS LARGELY FOR THREE REASONS:

(1) THE KING BELIEVES THAT GREATER AMERICAN INFLUENCE IN THE MIDDLE EAST IS INDISPENSABLE IN ORDER TO STRENGTHEN THE MORE CONSERVATIVE AND RESPONSIBLE ARAB REGIMES AS AGAINST MORE RADICAL ONES.

(2) HE BELIEVES THAT THE SPECIAL HISTORIC RELATIONSHIP BETWEEN THE U.S. AND MOROCCO GIVES HIM UNIQUE OPPORTUNITIES TO TIE THE U.S. MORE CLOSELY TO THE ARAB WORLD, AND THAT TO THE EXTENT HE SUCCEEDS IN DEVELOPING THESE OPPORTUNITIES, HE STRENGTHENS BOTH HIS PERSONAL POSITION AND THAT OF HIS COUNTRY.

(3) THE KING REMAINS PROFOUNDLY SUSPICIOUS OF RUSSIAN INFLUENCE, DESPITE GOOD RELATIONS WITH THE SOVIET UNION, AND SEES A STRONG U.S. TIE AS A HEDGE AGAINST THAT INFLUENCE.

IN PURSUIT OF THIS POLICY, HE HAS STRONGLY EMPHASIZED HIS PREFERENCE FOR FREE ENTERPRISE AND FOREIGN INVESTMENT. HE PROVED OPEN-MINDED TO MY RECENT REPRESENTATIONS THAT TOO RIGID AN ATTITUDE IN NEGOTIATIONS WITH THE OIL COMPANIES COULD RESULT IN A DEADLOCK AND IN A WORSENING INVESTMENT CLIMATE DESIRED BY NO ONE. HOWEVER, THE AREA OF GREATEST INTEREST TO THE KING AND ALSO THE AREA IN WHICH U.S.-MOROCCAN RELATIONS CAN BE STRENGTHENED MOST QUICKLY AND FIRMLY IS THAT OF MILITARY SUPPLY AND TRAINING. THIS IS WHY THE KING HAS OPTED SO STRONGLY FOR AMERICAN EQUIPMENT DESPITE THE CONSIDERABLE POLITICAL, ECONOMIC AND TECHNICAL DIFFICULTIES THAT HIS CHOICE ENTAILED. (IT MUST BE REALIZED THAT IN MAKING

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THIS CHOICE HE HAS HAD TO FACE THE OPPOSITION AND DOUBTS OF MANY OF HIS OFFICERS WHO, LOOKING AT THE MATTER PRIMARILY FROM A TECHNICAL AND PROFESSIONAL POINT OF VIEW, FIND OTHER SUPPLIERS, SUCH AS FRENCH OR EVEN THE SOVIETS, TO BE PREFERABLE BECAUSE THEY ARE MUCH QUICKER AND CHEAPER.)

THUS FAR THE KING HAS OVERRIDDEN THESE OBJECTIONS BECAUSE HE BELIEVES CLOSE RELATIONS WITH AMERICA TO HAVE AN OVERRIDING IMPORTANCE. HE ALSO CALCULATES THAT VISIBLE EVIDENCE OF CLOSE RELATIONS WITH THE UNITED

STATES MIGHT COUNTERACT TO SOME EXTENT THE FACT THE
MOROCCO FEELS, MILITARILY, DANGEROUSLY EXPOSED DUE TO
THE LOSS OF VIRTUALLY ALL OF ITS ARMORED EQUIPMENT DURING
THE OCTOBER 1973 WAR.

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ACTION NEA-09

INFO OCT-01 AF-06 EUR-12 IO-10 ISO-00 CIAE-00 DODE-00

PM-03 H-01 INR-07 L-02 NSAE-00 NSC-05 PA-01 RSC-01

PRS-01 SP-02 SS-15 USIA-06 AID-05 COME-00 EB-07

FRB-01 TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01

OMB-01 STR-01 CEA-01 AGR-05 CU-02 PC-01 /117 W

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R 071100Z JAN 75

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 4220

INFO AMEMBASSY ALGIERS

AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY NOUAKCHOTT

AMEMBASSY PARIS

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

USMISSION USUN NEW YORK

CINCUSNAVEUR LONDON

USCINCEUR VAIHINGEN GER

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HOWEVER, WITH ALL THESE POLITICALLY OVERRIDING
CONSIDERATIONS, THE KING CLEARLY HAS A DIFFICULT TIME
KEEPING IN LINE HIS DISCOURAGED MILITARY ADVISERS WHO
ARE DISTRESSED AT PRESENT U.S. LEAD TIMES FOR MILITARY

EQUIPMENT. THE PROBLEM IS THAT UNDER THESE LEAD TIMES
THE TWO MECHANIZED INFANTRY BRIGADES ENVISAGED BY THE
PARTAIN PLAN (AFTER BRIGADIER GENERAL PARTAIN, HEAD OF
THE U.S. ADVISORY MISSION TO MOROCCO DECEMBER 1973),
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WILL NOT BE FULLY REALIZED AND EFFECTIVE UNTIL 1981.
SINCE THIS IS CLEARLY UNACCEPTABLE TO THEM, AND AS
MOROCCO'S PRESENT EQUIPMENT ACQUISITION PLANS (ALL
SALES) ARE IN ANY CASE MORE MODEST THAN THOSE OF NEARLY
ALL OTHER MEDITERRANEAN COUNTRIES, THE STAGE HAS BEEN
SET FOR A CONSIDERABLE SETBACK IN OUR RELATIONS IF
PRESENT SCHEDULES CANNOT BE IMPROVED. THE KING EXPECTS
NO MIRACLES AND UNDERSTANDS OUR DIFFICULTIES, BUT HE
DOES EXPECT THAT THE RELATIVELY SMALL FORCE HE WANTS TO
EQUIP WITH OUR MATERIEL SHOULD BECOME EQUIPPED AND
EFFECTIVE IN SOMEWHAT LESS THAN A SIX TO SEVEN YEAR
TIME FRAME.

I HAVE STATED ABOVE SOME OF THE REASONS FREQUENTLY
ADDUCED OR IMPLIED BY THE KING AND OTHER MOROCCAN
LEADERS FOR THEIR DESIRE FOR CLOSER RELATIONS WITH THE
UNITED STATES. BUT AS I ENTER MY SECOND YEAR IN
MOROCCO, I AM GRADUALLY BEGINNING TO UNDERSTAND STILL
ANOTHER FACTOR. ALTHOUGH IT MAY COME AS A SURPRISE TO
TIRED AND SELF-DOUBTING AMERICANS, AMERICA REMAINS,
ESPECIALLY IN THE ARAB WORLD BUT PROBABLY ELSEWHERE AS
WELL, AN EXAMPLE OF PROGRESS AND DYNAMIC FORWARD MOVEMENT
TO WHICH A GREAT MANY, ESPECIALLY IN THE YOUNGER GENERA-
TIONS, ASPIRE. HOWEVER CRITICAL THEY MAY BE OF VARIOUS
ASPECTS OF OUR POLICY, AND ESPECIALLY OUR POLICY IN THE
MIDDLE EAST PRIOR TO 1973, THIS BASIC BELIEF IN AMERICA
REMAINS, AND CLOSE RELATIONS WITH US ARE THEREFORE
REGARDED, INSTINCTIVELY, AND BY VERY WIDELY DIFFERENT
GROUPS IN MOROCCO, AS A SYMBOL OF HOPE. AMERICA STILL
POSSESSES TREMENDOUS MORAL STRENGTH, AND I CAN ONLY HOPE
THAT WE WILL NOT PERMIT OUR OWN SELF-DOUBTS TO WEAKEN
IT AS WE GO INTO 1975.

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